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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
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WT Docket No. 96-6

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In the Matter of)

Amendment of the Commission's Rules)
To Permit Flexible Service)
Offerings in the Commercial Mobile)
Radio Services)

COMMENTS OF PACS PROVIDERS FORUM

PACS Providers Forum ("PPF") urges the Commission to authorize all CMRS providers to offer any and all fixed services, including fixed wireless local loop. By broadening the uses of CMRS spectrum, the Commission will promote the development of new technologies and services and foster competition in the telecommunications marketplace. PPF submits these comments in response to the Commission's Notice of Proposed Rulemaking (the "Notice") in WT Docket 96-6.

I. Background

A. PACS Providers Forum

PPF is an industry group established in 1995 to promote the development of Personal Access Communications Systems ("PACS"), a low-power, low-cost radio system that can provide very high quality voice and data transmission for both fixed and mobile uses. A District of Columbia non-profit corporation, PPF is currently comprised of ten member corporations, each leaders in the development of PACS as an operating standard.^{1/}

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1. PPF's Research (voting) Members are: Bellcore; GCI Communication Inc.; Hughes Network Systems; NEC America, Inc.; Matsushita Communication Industrial Corporation of America/Panasonic; PCSI (Pacific Communication Sciences, Inc.); Siemens Stromberg-Carlson; National Paging & Personal Communication Association; and Lucen Technologies (formerly AT&T Network Systems). Motorola is an

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PPF is not, however, a standards-setting body; it is organized to provide a forum for members to discuss developmental and technical issues.

B. Personal Access Communications System ("PACS")

PACS is a low-tier low-power radio system standardized for operation in the 1850-1990 MHz licensed PCS band. The hallmark of PACS is its small and inexpensive line-powered radio ports, or cells, which make it an ideal technology for high quality voice and data services in high tele-traffic areas, in as little as 10 MHz of spectrum. PACS is fully compatible with the local exchange telephone network and interoperable with existing cellular systems.

Because PACS is an emerging technology, its potential uses have not yet been fully defined. PCS providers will, however, be able to use PACS for fixed or mobile services, deployed either as stand-alone systems or as complements to high-tier (high-power cellular) systems. With its small cells, PACS is particularly suitable for fixed uses, including wireless local loop, in-building wireless PBX (private branch exchange) and wireless Centrex. In fact, the low cost and flexibility of PACS will allow for quick roll-out of PCS competitors to wireline local loop providers, providing economic and feature-rich services without sacrificing any quality, reliability or security.

Associate (non-voting) Member. These comments are submitted solely on behalf of PPF, and do not necessarily represent the position of any individual member.

II. Allowing CMRS Providers to Offer Any Fixed Service Will Promote Competition, Encourage Technology Development, and Reduce the Cost of Service to the Consumer

Opening the fixed services marketplace to all CMRS providers will promote competition and encourage the development and deployment of new, low-cost technologies, resulting in more diverse and affordable services for the consuming public. Emerging technologies, like PACS, thrive in a regulatory environment that permits creative and innovative uses. A competitive communications industry, particularly in the local exchange service, depends largely upon the rapid deployment of these new, low-cost technologies. The Commission should therefore permit both narrowband and broadband CMRS providers to offer any fixed services in their spectrum.

In its most recent annual report on CMRS competition, the Commission predicted that its recent spectrum allocations, particularly in PCS, will lower consumer prices, ease entry of new competitors, and strengthen competition in the CMRS market.^{2/} These benefits could be delayed, however, by the high cost of the PCS infrastructure, as compared to cellular.^{3/} The increased availability of low-cost technologies, such as PACS, could speed the market entry of PCS providers, particularly smaller companies such as those competing in the C-Block auctions.

Broadening the permitted use of the spectrum will enable PCS providers to take fuller advantage of low cost technologies, will speed market entry, and will increase the services offered to consumers, as envisioned by the Commission when it first allocated PCS

2. *See Annual Report and Analysis of Competitive Market Conditions with Respect to Commercial Mobile Services*, 10 F.C.C. Rcd. 8844 at ¶ 7 (August 28, 1996).

3. *Id.* at ¶ 47.

spectrum.^{4/} Innovative uses of PCS spectrum furthers the statutory goals to encourage the development of new technologies and the provision of new services to the public.^{5/}

In the *Notice*, the Commission proposes to revise its current PCS rules, which limit the use of PCS spectrum to mobile operations and "ancillary" fixed services.^{6/} The proposed revision removes any limits on the ability of PCS licensees to offer fixed wireless local loop services.^{7/} This is not just an academic change: PACS, for example, is an existing technology designed to enable PCS licensees to provide low-cost stand-alone fixed local exchange services that are not ancillary to any mobile operations.

The Commission next proposes to extend the rule to SMR and cellular carriers, and then requests comment on whether other CMRS licensees should be permitted to provide fixed wireless local loop as well.^{8/} In order to promote development of emerging technologies, the Commission should permit all CMRS providers, both broadband and narrowband, to offer fixed wireless local loop service. While PACS has been standardized for use in the broadband PCS spectrum, the spectrum efficiency advances it represents indicate that narrowband CMRS providers may be able to offer fixed wireless local loop services. Moreover, allowing all CMRS licensees to enter the local exchange marketplace will only accelerate the introduction of competition.

4. See *PCS Second Report*, 8 F.C.C. Rcd. 7700, 7713 (1993) (goal of PCS is to provide "the widest range of PCS services and devices at the lowest cost to their users").

5. See 47 U.S.C. § 157.

6. See 47 C.F.R. § 24.3.

7. *Notice* at ¶ 14.

8. *Notice* at ¶ 16.

The Commission should not, however, stop with opening the fixed wireless local loop marketplace to CMRS competitors; it should permit CMRS spectrum to be used for all technically-compatible fixed services.^{9/} Allowing the use of this spectrum for other fixed applications will have an immediate impact upon the development and deployment of new technologies. PACS, for instance, is designed to allow broadband PCS licensees to provide stand-alone wireless PBX and Centrex.

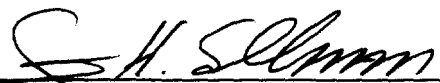
III. Conclusion

Low-cost, innovative technologies for CMRS, like PACS, will be developed and deployed only if the Commission's rules permit varied uses of the spectrum by all service providers. PPF therefore respectfully requests that the Commission expand its proposal and amend its rules to allow *all* CMRS providers to provide *any* fixed service.

Dated: March 1, 1996

Respectfully submitted,

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9. See Notice at ¶¶ 22-25.